

PLAN HIGHLIGHTS



Welcome to employment with Education Achievement Authority of Michigan (EAA). As an EAA employee you are automatically enrolled in the State of Michigan 401(k) and 457 Plans, giving you access to tax-deferred investment accounts so you can enhance your savings for retirement.

Saving today, planning for tomorrow

We are constantly looking for innovative ways to meet the financial needs of employees now and in their future retirement. You have access to the State of Michigan Defined Contribution Plans (the Plans):

- the 457 Plan for your contributions
- the 401(k) Plan for the matching contributions

The Plans are designed to help you make the most of your retirement savings.

- Your account grows without the burden of taxes.
- Your withdrawals will be taxed as regular income when you begin taking them.

Recognizing the value that your retirement savings have, the employer matches dollar for dollar each pay period the first 7.5% of your 457 Plan contributions, with contributions to the 401(k) Plan. Upon your hire you are automatically enrolled in the 457 Plan so that you automatically begin receiving 100% of the employer match. Your contributions, and those of your match, are directed to the target retirement fund that most closely corresponds to the date you are expected to retire.

The Power of the Match

By contributing just 7.5% of your gross wages, you have 15% going to work for you!

Type of Contribution

Your 457 Plan contributions	7.5%
State of Michigan 401(k) matching contributions	7.5%
Grand Total Working for YOU!	15%

Plan Fees

All EAA participants pay a fee of \$13.75 per quarter which covers the costs of administering the plan. The fee is charged at the beginning of each quarter and shown on your account statement. In addition, there are fees associated with each investment offering. You can find the current fees online (access your retirement investment account). You will also receive a report on these fees with your account statement.

Your Contributions

Contributions are made pre-tax — before taxes are computed — through easy payroll deductions. Your contributions may not exceed the annual limits set by the IRS. For 2012 you may contribute 100% of your compensation, up to \$17,000.

You may change your contribution amount or your investment selection at any time by calling the Plan Information line at **1-800-748-6128**.

Catch-Up Contributions

If you are age 50 or older you may contribute additional monies in the form of Catch-Up Contributions, up to the IRS limits, to your Plan account.

2012 IRS 457 Plan Catch-Up Contribution Limits

Over 50 Catch-Up Limit*	\$5,500
Traditional Catch-Up Limit*	\$17,000

* These limits are in addition to the regular limit of \$17,000.

If you have not made the maximum contribution in prior years, you may be eligible for the Traditional Catch-Up Contribution option. This allows you to contribute up to twice the annual dollar limit for the three calendar years prior to the year in which you become eligible for normal retirement benefits. You may not participate in the Over 50 Catch-Up and the Traditional Catch-Up during the same calendar year. You must call the Plan Information Line before starting to use the catch-up provisions. Contributions may not exceed 100% of your total salary in any given year.

Vesting — who owns what, when?

To be vested is to legally own the money in your account. You are immediately 100% vested in your own contributions and their accumulated earnings. Your years of service determine how much you're vested in the matching contributions made to your account according to the following table.

Years of Service*	Percent Vested
After 1 year	0%
After 2 years	50%
After 3 years	75%
After 4 years	100%

* A year of service is accrued after a minimum of 1020 hours. Only one year of service may be accrued in a year. If you leave employment before you are 100% vested, the non-vested portion is forfeited.

	457 Plan — for your Contributions	401(k) Plan — for your Match Contributions
Loans	<ul style="list-style-type: none"> • Not Permitted 	<ul style="list-style-type: none"> • Not Permitted
Rollovers	<ul style="list-style-type: none"> • Roll-ins allowed from another 457 plan are permitted • Rollover to an IRA or another plan that allows transfers in • Rollovers are not permitted between the 457 and 401(k) Plans 	<ul style="list-style-type: none"> • Rollover to an IRA or another plan that allows transfers in • Rollovers are not permitted between the 457 and 401(k) Plans
Distributions	<ul style="list-style-type: none"> • You must be separated from service • Payments may begin as early as 30 days after your termination date • You may change payout options on an unlimited basis • No paperwork deadlines 	<ul style="list-style-type: none"> • You must be separated from service or reach the age of 59½ • Payments may begin as early as 30 days after your termination date • You may change payout options if you have not annuitized payments • No paperwork deadlines
Early Withdrawal Penalty	<ul style="list-style-type: none"> • Does not apply; you may start 457 payments at any age after terminating employment 	<ul style="list-style-type: none"> • Incur a 10% penalty on withdrawals made prior to reaching age 59½ • Exceptions apply for: <ul style="list-style-type: none"> — Terminated employment during or after the year in which you reach age 55 — Disability and/or Death — Substantially Equal Periodic Payments (Consult with a tax professional)

Plan Investment Options

Target Retirement Funds — Offer instant diversification by providing a mix of stocks, bonds, and cash equivalents that become more conservative as the fund nears its target retirement date. Simply choose the fund with the date closest to when you expect to retire and direct your contributions into that fund. You are automatically placed in one of these funds until you choose otherwise.

Target Date Funds

SSgA Target Retirement Income Fund

SSgA Target Retirement 2010

SSgA Target Retirement 2015

SSgA Target Retirement 2020

SSgA Target Retirement 2025

SSgA Target Retirement 2030

SSgA Target Retirement 2035

SSgA Target Retirement 2040

SSgA Target Retirement 2045

SSgA Target Retirement 2050

SSgA Target Retirement 2055

The Self-Managed Account (SMA) — SMA is a brokerage account offering access to most individual stocks, bonds, certificates of deposit (CDs), exchange-traded funds (ETFs), and more than 10,000 different mutual funds. You may call ING at the number below for details including fees, and an SMA application if you wish to take advantage of this option.

Prior to investing, please make sure that you carefully review all investment information. More information on each investment option, including fund fact sheets and prospectuses, is available by calling **1-800-748-6128**.

Core Investment Options — allow investors to choose how to invest their funds. These investment options include index funds and actively managed investment options and cover stocks, bonds, and cash equivalents.

Passively Managed

Investment Option	Category
SSgA Yield Enhanced STIF	Short-term money market
Stable Value Fund	Investment contract/short-term investment
SSgA Bond Market Index Fund	Bond Index
SSgA S&P 500 Index Fund	Domestic large cap stock index
SSgA S&P MidCap Index Fund	Domestic mid cap stock index
SSgA Russell 2000 Index Fund	Domestic small cap stock index
SSgA Global all Cap Equity ex-U.S. Index Fund	International equity index

Actively Managed

Investment Option	Category
PIMCO Total Return Fund	Intermediate term bond fund
Oakmark Equity and Income Fund	Balanced (stocks and bonds)
Dodge & Cox Stock Fund	Domestic large cap value stock
Rainier Large Cap Growth Equity Fund	Domestic large cap growth stock
T. Rowe Price Mid Cap Value Fund	Domestic mid cap value stock
Artisan Mid Cap Domestic Fund	Mid cap growth stock
RidgeWorth Small Cap Value Equity Fund: I	Domestic small cap value stock
ING Small Cap Growth Equity Fund	Domestic small cap growth
American Funds EuroPacific Growth Fund: R5	Foreign large cap blend stock
SSgA Emerging Markets Fund	Foreign emerging markets stock

Matching contributions are not guaranteed for any specific time frame. All plan provisions are subject to change at any time by the employer and may be subject to approval by the plan administrator.

This Plan highlights summarizes the Plan provisions effective on and after June 10, 2012. Please note that only the Plan document itself gives any person a legal right to benefits and this is *not* the Plan document. Any conflict between the Plan highlights and the Plan document is unintentional, and any such conflict or any item not covered by this summary will be resolved by referring to the Plan document. You should not rely on any oral explanation, description, or interpretation of the Plan by any employee of the EAA. Further, the EAA and State of Michigan as Plan sponsor reserves the right to amend or terminate the Plan at any time.